



City of Loma Linda Official Report

Floyd Petersen, Mayor
Stan Brauer, Mayor pro tempore
Robert Christman, Councilmember
Robert Ziprick, Councilmember
Charles Umeda, Councilmember

COUNCIL AGENDA: February 28, 2006

TO: City Council

VIA: Dennis R. Halloway, City Manager

FROM: Diana De Anda, Finance Director

SUBJECT: Award Contract for Utility Billing Printing Services

RECOMMENDATION

Recommend awarding service contract for utility billing printing to InfoSend, Inc.

BACKGROUND

This Calendar year it is anticipated 400 new residential units will be added to utility services. As the community continues to grow, the demand on utility services customer service continues to increase as well. In order to maintain the current level of quality customer service the community is accustomed to, it will be necessary to either increase staffing level to accommodate the increase in demand for services, or outsource duties that do not affect the point of contact with our customers (counter service, phone service and online service.) After careful consideration management determined that by outsourcing the utility billing printing/mailing function, current staff would be able to accommodate the increase demand for point of contact customer service as new housing developments come on line.

Furthermore, management has for some time desired to switch from a post card utility bill format to a full sheet utility bill. The new billing format would provide the City with a greater capacity to present historical billing data, as well as allow for greater privacy of utility billing information. Moreover, as the Loma Linda Connected Community Program expands their service offerings there will be a further need for a full sheet billing format.

ANALYSIS

As per the purchasing policy requirements, three quote were obtained (see attached A) from service providers. The lowest quote was present by Infosend, Inc., at \$14,070, \$1,200 less annually than the second lowest of \$15,270 from DataProse. InfoSend, Inc., per bill charge is 16

cent per bill, not including postage charges. On a per unit basis DataProse would have been the lowest bidder at 13.5 cent per bill, but due to their required minimum monthly billing charge of \$500 (excluding postage), at the city's current billing level of activity the per bill cost calculates out to 20 cents. In order for the City to benefit from the lower per unit rate that DataProse offers, the City would have to add over 2,400 units.

ENVIRONMENTAL

Not Applicable

FINANCIAL IMPACT

The additional \$6,000 necessary for this fiscal year was approved on February 14, 2006, as part of the mid-year budget request. The amount is being split between the following funds:

General Fund - Refuse Operations	01-3600-1830	\$1,500
Sewer Operation Fund	05-3500-1830	\$1,500
LLCCP Fund	40-5900-1830	\$ 600
Water Operation Fund	65-7000-1830	\$2,400

City of Loma Linda
Printing & Mailing of Utility Bills Services

	Inland Presort		DataProse		Infosend	
			Actual/Bill	Mthly Min.		
Set-up Fee	200.00	200.00	-	-	-	-
Number of Jobs/mo.	2,500		2,500	3,704 1,204	2,500	
Black Laser						
Printing of Electronic File (per bill)	0.090	225.00				
(incl. preprinted perforated copy paper, #9 reply envelope, #10 single window envelope)						
Fold, Insert, Presort & Mail	0.050	125.00	0.135	0.2	0.160	
Printing Costs (per bill)	0.140	350.00	0.135	337.50 500.00	0.160	400.00
Postage (1st-class postage less than 1oz)	0.352	880.00	0.309	772.50	772.50	772.50
Total Monthly Costs		1,230.00		1,110.00	1,272.50	1,172.50
Number of Months		12		12	12	12
Annual Cost		14,760.00		13,320.00	15,270.00	14,070.00
Total Annual Cost (set-up plus annual)		14,960.00		13,320.00 15,270.00		14,070.00
Rate based on Minimin Billing				1,200.00		0